



RICHARD BLAND COLLEGE

REVIEW REPORT FOR THE YEAR ENDED JUNE 30, 2019

Auditor of Public Accounts
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April 1, 2020

Debbie L. Sydow
President, Richard Bland College

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of **Richard Bland College**, which comprise the Statements of Net Position as of June 30, 2019, and 2018, and the related Statements of Revenues, Expenses, and Changes in Net Position, and Cash Flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of College management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. SSARs require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, except for the issues noted in the Known Departures from Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Accounting standards generally accepted in the United States of America define assets as resources with present service capacity that the government presently controls. As such, preparers of financial statements record existing assets in the Statement of Net Position as positive balances. Richard Bland College's Statement of Net Position as of June 30, 2018, includes a negative balance in cash and cash equivalents in the current asset section of the statement. This negative balance relates primarily to expenses incurred for capital projects, which have not yet been processed for reimbursement. The Statement of Net Position for Richard Bland College includes related accounts receivable balances that, when included in aggregate with the negative cash balance, eliminate the negative cash in its entirety. As noted in the paragraph below, disclosure related to this particular item is not available due to a known departure from accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Known Departures from Accounting Principles Generally Accepted in the United States of America

Accounting principles generally accepted in the United States of America require that the financial statements for business-type entities include notes to the financial statements, which are considered part of the basic financial statements. As Richard Bland College operates under shared governance with the College of William and Mary, the combined University issues a consolidated set of basic financial statements; however, Richard Bland College does not prepare separate note disclosures that comply with generally accepted accounting principles. In addition, Richard Bland College does not prepare separate required supplementary information, such as management's discussion and analysis, and pension and other post-employment benefit-related schedules, which is required to be presented to supplement the basic financial statements. Required supplementary information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Additionally, although the Richard Bland College Foundation, a private, not-for-profit corporation providing resources to benefit Richard Bland College, is considered a component unit under standards promulgated by the Governmental Accounting Standards Board, it has been excluded from the presentation of the statements included in this report. The effect of these departures from accounting principles generally accepted in the United States of America has not been determined.

Other Matters

Although Richard Bland College is a separate and distinct legal entity within the Commonwealth of Virginia's statewide system of higher education, it shares a governing board appointed by the Governor of Virginia with The College of William and Mary in Virginia (William & Mary), which also includes the Virginia Institute of Marine Science. The entities are reported as a component unit of the Commonwealth of Virginia and their consolidated financial statements are included in the Commonwealth's Comprehensive Annual Financial Report.

Federal funds received by the Commonwealth of Virginia are audited at a statewide level by the Auditor of Public Accounts in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of the statewide Single Audit of federal funds, the Auditor of Public Accounts audits Federal Student Financial Aid at Virginia's state-supported colleges and universities. The Auditor of Public Accounts audited Richard Bland College's Federal Student Aid program in fiscal year 2017 and performed follow-up procedures during the fiscal year 2018 and 2019 audits and did not report any material compliance issues. Copies of our audits of the financial statements of the College of William and Mary, including Richard Bland College, along with copies of our statewide Single Audits may be found on our website at www.apa.virginia.gov.

This letter is intended solely for the information and use of the accreditation review board and is not intended to be and should not be used by anyone other than this specified party. However, this letter is a matter of public record and its distribution is not limited.

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

EMS/clj

**Richard Bland College of
The College of William and Mary in Virginia
Statement Of Net Position
As of June 30, 2019 (with comparative information as of June 30, 2018)**

ASSETS	2019	2018
Current Assets		
Cash and cash equivalents	\$ 381,096	\$ (4,914)
Receivables, net of allowance for doubtful accounts	342,579	254,313
Due from commonwealth	11,079	53,097
Prepaid expenses	164,635	139,898
Total Current Assets	899,389	442,394
Non-current Assets		
Restricted cash and cash equivalents	198,652	1,099,893
Restricted investments	408,578	389,373
Other restricted assets	116,000	83,000
Capital assets, nondepreciable	619,979	4,146,767
Capital assets, depreciable net of accumulated depreciation	50,437,004	48,543,655
Total noncurrent Assets	51,780,213	54,262,688
TOTAL ASSETS	52,679,602	54,705,082
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	1,235,060	1,548,301
Other post-employment benefits	756,520	750,720
Total assets and deferred outflows of resources	54,671,182	57,004,103
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	1,307,829	1,961,078
Unearned revenue	93,794	222,855
Deposits held in custody for others	29,403	44,202
Obligations under securities lending program	14,694	5,921
Accrued compensated absences-current	393,473	315,677
Other post-employment benefits-current	62,143	46,044
Other Long-term obligations-current	1,035,705	987,520
Total current liabilities	2,937,041	3,583,297
Noncurrent Liabilities		
Accrued compensated absences	173,465	126,530
Pension benefits	6,948,000	7,652,000
Other post-employment benefits	3,009,076	3,347,235
Other long-term liabilities	24,587,773	25,645,726
Total noncurrent liabilities	34,718,314	36,771,491
TOTAL LIABILITIES	37,655,355	40,354,788
DEFERRED INFLOWS OF RESOURCES		
Pension related	798,000	646,000
Other post-employment benefits	953,984	535,929
Total liabilities and deferred inflows of resources	39,407,339	41,536,717
NET POSITION		
Net investment in capital assets	25,632,157	26,992,035
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	236,118	236,118
Expendable:		
Scholarships and fellowships	172,460	153,255
Other	116,000	83,000
Unrestricted	(10,892,892)	(11,997,021)
TOTAL NET POSITION	\$ 15,263,843	\$ 15,467,387

See Independent Accountant's Review Report

**Richard Bland College of
The College of William and Mary in Virginia**
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019 (with comparative information for the year ended June 30, 2018)

	2019	2018
Operating Revenues:		
Student Tuition and Fees, net of scholarship allowances of \$1,810,840 and \$1,393,807	\$ 4,211,665	\$ 2,911,432
Federal Grants and Contracts	59,838	-
Auxiliary Enterprises, net of scholarship allowances of \$1,613,584 and \$1,454,638	3,752,885	3,038,499
Other Operating Revenues	291,787	109,888
Total Operating Revenues	8,316,175	6,059,819
Operating Expenses:		
Instruction	5,519,888	4,278,232
Academic Support	325,646	820,521
Student Services	2,218,960	2,251,924
Institutional Support	3,098,712	3,952,045
Operation and Maintenance of Plant	1,336,547	1,611,546
Student Aid	1,047,563	165,311
Auxiliary Enterprises	2,315,039	2,780,367
Depreciation	2,479,981	2,448,678
Total Operating Expenses	18,342,336	18,308,624
Operating Loss	(10,026,161)	(12,248,805)
Nonoperating Revenues (Expenses)		
State Appropriations	8,387,995	8,019,269
Gifts	276,944	-
Investment Income	31,981	125,844
Pell Grants	2,088,302	1,964,003
Interest on Capital Asset Related Debt	(625,657)	(702,226)
Other Nonoperating Revenue	60,344	43,297
Other Nonoperating Expense	(181,911)	(214,226)
Net Nonoperating Revenues	10,037,998	9,235,961
Income before Other Revenues, Expenses, Gains or Losses	11,837	(3,012,844)
Capital Appropriations	63,544	516,613
Capital Grants and Contributions	208,815	248,387
Gain/(Loss) on disposal of assets	(487,740)	478
Net Other Revenues	(215,381)	765,478
Change in Net Position	(203,544)	(2,247,366)
Net Position - Beginning of year (as restated)	15,467,387	17,714,752
Net Position - End of year	<u>\$ 15,263,843</u>	<u>\$ 15,467,387</u>

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**Richard Bland College of
The College of William and Mary in Virginia
Statement of Cash Flows
For the Year Ended June 30, 2019 (with comparative information for the year ended June 30, 2018)**

	2019	2018
Cash flows from operating activities:		
Tuition and Fees	\$ 3,826,670	\$ 3,174,997
Payment for Scholarships	(1,047,563)	(362,064)
Research Grants and contracts	59,838	-
Auxiliary Enterprises Charges	3,685,421	3,886,208
Payments to Suppliers	(2,538,448)	(2,492,926)
Payments to Employees	(11,877,823)	(11,679,452)
Payments for Operations and Maintenance of Facilities	(330,741)	(805,295)
Other Receipts	300,612	374,605
Net cash used by operating activities	(7,922,034)	(7,903,927)
Cash flows from non-capital financing activities:		
State Appropriations	8,387,995	8,019,269
Gifts	276,943	-
Direct Loan Receipts	3,708,667	3,533,414
Direct Loan Disbursement	(3,708,667)	(3,533,414)
Other Nonoperating Receipts	2,148,646	2,007,300
Other Nonoperating Disbursements	29,598	(1,402,367)
Net cash provided (used) by non-capital financing activities	10,843,182	8,624,202
Cash flows from capital and related financing activities:		
Proceeds from Issuance of Capital Debt	-	1,681,295
Capital Appropriations	105,562	708,220
Capital Gifts and Grants	208,815	-
Capital Expenditures	(1,849,685)	(3,639,782)
Principal Paid on Capital Related Debt	(1,009,767)	(746,583)
Interest Paid on Capital Related Debt	(912,857)	(520,005)
Net cash provided (used) by capital and related financing activities	(3,457,932)	(2,516,855)
Cash flows from investing activities:		
Investment income	12,776	98,840
Proceeds from Sale of Investments	-	225,000
Net cash provided (used) by investing activities	12,776	323,840
Net increase (decrease) in cash and cash equivalents	(524,008)	(1,472,740)
Cash and cash equivalents, beginning of year	1,089,059	2,561,798
Cash and cash equivalents, end of year	\$ 565,051	\$ 1,089,058
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income/(loss)	(10,026,161)	(12,248,803)
Adjustments to reconcile net cash used by operating activities		
Depreciation Expense	2,479,981	2,448,678
Changes in Assets, Liabilities, Deferred Outflows and Deferred Inflows:		
Receivables	(299,774)	1,216,719
Prepaid Items	(24,737)	(54,902)
Accounts Payable	149,354	229,228
Unearned Revenue	(129,061)	163,517
Deposits Held for Others	(14,799)	44,202
Compensated Absences	124,730	17,900
Pension Liability	(704,000)	(14,000)
Deferred Outflows of Resources (Pension related)	313,241	(100,633)
Deferred Inflows of Resources (Pension related)	152,000	286,000
OPEB Liability	(322,060)	342,408
OPEB Asset	(33,000)	29,000
Deferred Outflows of Resources (OPEB related)	(5,800)	(750,720)
Deferred Inflows of Resources (OPEB related)	418,055	535,929
Other Liabilities	-	(48,450)
Net cash used in operating activities	\$ (7,922,031)	\$ (7,903,927)
Reconciliation of cash and cash equivalents:		
Cash and Cash Equivalents	381,096	(4,914)
Restricted Cash and Cash Equivalents	198,652	1,099,893
Less: Securities Lending Cash Equivalents	(14,694)	(5,921)
Cash and cash equivalents end of year	\$ 565,054	\$ 1,089,058
Noncash Investing, capital, and financing activities:		
Assets Acquired through Assumption of a Liability	\$ -	\$ (212,977)
Changes in Accounts Receivable Related to Nonoperating Income	\$ 253,526	\$ (1,244,921)
(Gain) Loss on Disposal of Assets	\$ 487,740	\$ (478)
Reduction/Amortization of Bond Premium	\$ 22,249	\$ 19,958
Net Change in Value of Investments	\$ 19,205	\$ 27,003

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